

**Atlanta Regional Office**

**AWG Hearings Division**

**Core Business Functions:**

Process written and in person hearings, ensuring rights of due process afforded to borrower.

<b>Primary SFA Work Activities</b> <ul style="list-style-type: none"><li>• Reviews PIC hardship recommendations and approves/disapproves<ul style="list-style-type: none"><li>- X % of time</li><li>- # reviews per month</li></ul></li><li>• Conduct in person hearings<ul style="list-style-type: none"><li>- 1-2% of time</li><li>- X # year</li></ul></li><li>• Conduct oral hardship and dispute hearings<ul style="list-style-type: none"><li>- X % of time</li><li>- # of oral hearings p/month</li></ul></li></ul>	<b>Primary Contractor Activities</b> <ul style="list-style-type: none"><li>• PCA determines dischargability regarding bankruptcy, death and disability and forwards to SFA</li><li>• PCA analyzes hardships—forwards paper hearing requests to PIC</li><li>• PCA reviews documents from employers regarding legal exclusions and forwards to SFA</li><li>• PCA forwards disputes to SFA (if oral hearing) or PIC (paper hearing)</li></ul>
<b>'02 Change Opportunities</b> <p>See below.</p>	<b>Long Term Change Opportunities (03 and beyond)</b> <p>See below.</p>

**COST CUTTING BENIFITS FOR AWG HEARINGS BRANCH**

In the future, we foresee a significant amount of time and cost savings in many of these areas once we are able to establish our two additions to a secure web site:

**CURRENTLY:**

- 16 HOURS / 2 DAYS A WEEK - is required to audit the master tracking system to ensure all requests for a hearing are being accurately and timely reported for update and input into the tracking system.
- Currently there are 31 various tracking programs that require the attention of one associate and one loan analyst to monitor multiple agencies reports to ensure that the agencies are recording daily the receipt of all outstanding requests for a hearing. [17 of the tracking programs will be going away.]
- We follow up daily with customers calling requesting general and/or specific information and forms on requirements for filing for an administrative wage

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garnishment hearing. For example: explaining which documents are required for financial hardship, which applications for closed school, ability to benefit, etc.

**OPPORTUNITIES:**

**ONE NATIONAL TRACKING PROGRAM** which will allow ED, PCA and PIC to work together to address the borrowers concerns; for example:

- Instant exchange of information
- Accurate record tracking
- Elimination of duplicate entries and redundant manpower usage (loading the same information to at least three (3) separate tracking programs: the Private Collection Agency (PCA), the Department of Education (ED), and Public Inquiry Contractor (PIC) will all be interconnected and partnering to enhance quality customer service.

**ONE CENTRAL WEB SITE WHICH BORROWERS** access to answer general questions and obtain instructions and forms for filing objection (s) properly.

- Borrowers will be able to order their file records by placing request
- Download all discharge applications
- Download copy of the hearing request forms
- Get clear instructions on the regulations, laws, and policies.
- View most frequently ask questions and answers.
- Ask and receive answers to other questions not found in the frequently asked Q&A.

One National tracking program will save substantial time by eliminating duplicate entries. Everyone involved in the process will be able to look at an account and see the current status instead of having their own tracking and having to call for status.

If the borrowers can access a web site to download applications and forms and to view frequently asked questions, this will save time for ED, the PCA and will shorten the length of time between the borrower receiving a notice and their request for a hearing. ***We believe it will also eliminate a number of hearing requests. This will be a cost savings.*** At this point we cannot estimate the number of hearings that will be eliminated. After the web site is up and we can track for several months, we will be able to estimate savings. Also increased customer satisfaction.

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**Contract Services Branch**

Core Business Function:

Monitor PCA activities, provide training and technical support, and review/approve/disapprove PCA recommended account actions (write-off, compromise, complaint resolution, etc.)

<b>Primary SFA Work Activities</b>	<b>Primary Contractor Activities</b>
<p>Audit PCA activities to ensure compliance to ED procedures</p> <ul style="list-style-type: none"><li>- 30% of time</li><li>▪ Administrative Wage Garnishment program</li><li>▪ Payment processing and account posting</li><li>▪ Borrower Correspondence</li><li>-</li></ul> <p>Provide training and technical assistance to PCA staff</p> <ul style="list-style-type: none"><li>- 25% of time</li></ul> <p>Review/ approve/disapprove PCA recommendations for death, disability and bankruptcy resolution, account compromise</p> <ul style="list-style-type: none"><li>- 30% of time</li></ul> <p>Review and approve/disapprove PCA account returns</p> <ul style="list-style-type: none"><li>- 5% of time</li></ul> <p>On-site inspections of PCAs</p> <ul style="list-style-type: none"><li>- Less than 5%</li></ul> <p>Prepare PCA invoices</p> <ul style="list-style-type: none"><li>- 1 FTE (2 staff working on invoice 1 week, other staff</li></ul> <ul style="list-style-type: none"><li>• Review and approve PCA requested adjustments to commissions and fees for regular and AWG payments, administrative resolutions, and consolidation payoffs</li><li>• Review and load to invoice database refunds made on PCA accounts. Print invoices for PCAs to present for payment<ul style="list-style-type: none"><li>• review and inputting throughout month)</li><li>•</li></ul></li></ul> <p>Resolve and respond to borrower complaints</p> <ul style="list-style-type: none"><li>• Less than 5%</li><li>• Credit card payment Processes</li><li>• Track and resolve unposted payments</li><li>• Reconciliation of postings</li><li>• Voice Authorizations for credit card payments</li><li>• Manual credits for overcharges</li></ul> <p>Entry of payments received by staff in the regional offices</p>	<ul style="list-style-type: none"><li>• Collect or otherwise resolve defaulted student loans</li></ul>

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<ul style="list-style-type: none"><li>- 1 FTE</li></ul> <p>Direct Loan Consolidation-DMCS account translation</p> <ul style="list-style-type: none"><li>- 1/2 FTE (8-16 hours per week based on volume and complexity)</li></ul> <ul style="list-style-type: none"><li>• Assist in the preparation of files from Direct Loans for DCMS accounts</li><li>• Account maintenance for mismatched information</li><li>•</li></ul>	
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<b>'02 Change Opportunities</b>	<b>Long Term Change Opportunities (03 and beyond)</b>
<p>Decreased contracts to 12, plus 16 old contracts maintaining in-repayment accounts</p> <p><i>Approx. savings: Less Commissions on accounts which pay under the 2000 contract as opposed to the '97 contract</i></p>	<p>Credit Card functions will be built into the next National Payment Center contract.</p> <p><i>Approx savings: 1FTE</i></p> <p>Greater use of system queries/technology in the monitoring of accounts based on new DCMS system</p> <p><i>Approx savings: FTE to be determined based on new system capabilities. Additional benefit of being able to review all accounts rather than a sample.</i></p> <p>Elimination of separate Access database for PCA invoices based on enhanced capabilities with new DCMS system</p> <p><i>Approx savings approx 1 FTE</i></p> <p>With new DCMS system, we hope to have the capability of receiving reports on-line, and the ability to request reports for special needs.</p> <p><i>Savings would include: storage and archive of paper commission reports and a savings of approx. one day per month in sorting and mailing commission reports. Additionally, approx 1-1.5 hours a day in sorting, distributing, and mailing the routine paper reports from Atlanta to the PCAs.</i></p> <p>With new DMCS system, we hope that the translation functions that we now perform related to the processing of Direct loan consolidations will be eliminated. (We may still need to perform the account maintenance functions)</p> <p><i>Approx savings of 6-14 hours per week</i></p>

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**Loan Servicing Branch**

**Core Business Functions:**

Resolve disputes.  
Consolidate loans.  
Adjust loan balances.  
Credit reporting.  
Borrower credit counseling.  
Portfolio management.  
SSN disputes.  
Adjustments from GAs.

<b>Primary SFA Work Activities</b> <ul style="list-style-type: none"><li>• Answer direct calls<ul style="list-style-type: none"><li>- 25 % of time</li><li>- Approx 400 calls per month</li></ul></li><li>• Portfolio management<ul style="list-style-type: none"><li>- 50 % of time</li><li>- 2300 reviews per month</li></ul></li><li>• Develop correspondence<ul style="list-style-type: none"><li>- (25 % of time)</li><li>- 250 per month</li></ul></li></ul>	<b>Primary Contractor Activities</b> <ul style="list-style-type: none"><li>•</li><li>•</li></ul>
<b>'02 Change Opportunities</b>	<b>Long Term Change Opportunities (03 and beyond)</b> <ol style="list-style-type: none"><li>1. Electronic Signatures - with electronic signatures we will be able to answer correspondence on line. The savings would be printing, postage and paper. The customer will receive faster responses. This should increase customer satisfaction. (Not sure of cost for printing, postage and paper)</li></ol>

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**AWG Branch**

**Core Business Functions:**

Respond to and resolve borrower litigation pertaining to AWG in conjunction with OGC and DOJ.

<b>Primary SFA Work Activities</b> Monitor lawsuits filed by ED and GA s against non-compliant employers <ul style="list-style-type: none"><li>- 10% of time</li><li>- 50 per month</li></ul> Handle complex calls (e.g., employers verifying AWG) <ul style="list-style-type: none"><li>- 20% of time</li><li>- 100 per month</li></ul> Refund overpayments <ul style="list-style-type: none"><li>- 30% of time</li><li>- 500 per month</li></ul> Close cases once litigation package is received <ul style="list-style-type: none"><li>- 10% of time</li><li>- 50 per month</li></ul> Approve compliance package for DOJ <ul style="list-style-type: none"><li>- 20% of time</li><li>- 40 per month</li></ul>	<b>Primary Contractor Activities</b> PCAs: <ul style="list-style-type: none"><li>• Identify cases to refer and prepare data tp be sent to DOJ</li><li>• Answer general employer questions</li></ul>
<b>'02 Change Opportunities</b>	<b>Long Term Change Opportunities (03 and beyond)</b> 1. Arrange with OGC to have referred cases sent directly to DOJ as opposed to first to OGC, back to SFA, then on to DOJ Approximate cost savings would be 10% of time Challenges: OGC will in the near future stop reviewing litigation packages once the courts make a favorable ruling on our litigation cases. There are 2 cases pending with DOJ and 5 pending with OGC.